

DAY PITNEY LLP  
 1 JEFFERSON ROAD  
 PARSIPPANY, NJ 07054  
 (973) 966-6300  
 jscordo@daypitney.com

Attorneys For Petitioner,  
 Scott F. Mahoney.

**UNITED STATES DISTRICT COURT  
 DISTRICT OF NEW JERSEY**

-----	X	
SCOTT F. MAHONEY,	:	HONORABLE
	:	Civil Action No. 12-
Petitioner,	:	
	:	<b>PETITION</b>
v.	:	
	:	
FINANCIAL INDUSTRY REGULATORY	:	(Document Electronically Filed)
AUTHORITY;	:	
	:	
Respondent.	:	
-----	X	

Petitioner, Scott F. Mahoney, by his attorneys, Day Pitney LLP, hereby petitions the Court for an Order directing the Financial Industry Regulatory Authority ("FINRA") to expunge the Central Registration Depository ("CRD") entry on Petitioner's record related to a customer arbitration brought by Christopher Puglisi ("Claimant") against Petitioner's then-employer, Citigroup Global Markets Inc. ("CGMI").

## PARTIES, JURISDICTION AND VENUE

1. For the sole purpose of obtaining expungement of one customer complaint from his CRD<sup>1</sup> record, as provided for in FINRA Rule 2080, Petitioner files this Petition seeking such Order.

2. Scott F. Mahoney (“Petitioner”), is a resident of Mendham, New Jersey. He is employed as a securities broker and financial advisor by Morgan Stanley Smith Barney in Morristown, New Jersey. Petitioner has been a registered representative with FINRA or its predecessor entity, the National Association of Securities Dealers (“NASD”),<sup>2</sup> since 1992 (CRD no. 2202743). Petitioner is a licensed securities agent of 28 states, including New Jersey, where he has been licensed since 1992.

3. Although this is not an adversarial proceeding, under FINRA Rule 2080(b), FINRA must be named as an “additional party” in this proceeding.

4. FINRA, upon information and belief, is a quasi-public, Self-Regulatory Organization (“SRO”), that has the authority to license, discipline and suspend investment professionals, known as “registered representatives.” FINRA is registered with the Securities and Exchange Commission (“SEC”) as a national securities association pursuant to the authority set forth in the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78a *et seq.*

5. FINRA is a registered Delaware not-for-profit corporation, with its principal place of business in Washington, D.C.

---

<sup>1</sup> The Central Registration Depository (“CRD”) is the central licensing and registration system for the United States securities industry. FINRA is tasked under the Exchange Act with keeping and updating this database. According to FINRA Rule 4530(a)(1)(G) all registered representatives must report to the CRD any actions for which such representative is named as a respondent or is unnamed, but is the “subject of.”

<sup>2</sup> In 2007, FINRA became the successor entity to NASD.

6. The Claimant in the case that Petitioner seeks to have expunged from his record, has signed a waiver of his right to be named as a party in this proceeding and has waived service and issuance of process on him. (*See* Waiver Affidavit of Christopher Puglisi annexed hereto as Exhibit “A”.)

7. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1337 and the Exchange Act, 15 U.S.C. § 78 *et. seq.* The Exchange Act holds that district courts “shall have exclusive jurisdiction of violations of this title or the rules and regulations thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by this title or the rules and regulations thereunder.” Exchange Act, 15 U.S.C. § 78aa (a).

8. Venue is proper in this district pursuant to 28 U.S.C. § 1391. Additionally, the Exchange Act holds that “[a]ny suit or action to enforce any liability or duty created by this title or rules and regulations thereunder, . . . may be brought in any such district or in the district wherein the defendant is found or is an inhabitant or transacts business . . . .” Exchange Act, 15 U.S.C. § 78aa (a).

#### **LEGAL AUTHORITY FOR THE RELIEF SOUGHT**

9. As an SRO, FINRA has a statutory duty to “establish and maintain a system for collecting and retaining registration information[.]” Exchange Act, 15 U.S.C. § 78o-3 (i)(1)(A). Under this authority, FINRA maintains the CRD. Most of the information from a registered representative’s CRD record is publicly available on FINRA’s website through the “BrokerCheck”<sup>3</sup> feature. These records contain, among other things, information about complaints made by customers against registered representatives and any arbitration or litigation proceedings involving the representative.

10. FINRA has established a procedure for registered representatives, such as Petitioner, to obtain expungement of a record from both the CRD and BrokerCheck. While FINRA maintains these databases, expungement of a particular record can only be accomplished by means of an Order of a court of competent jurisdiction. FINRA Rule 2080(a). As a result, this Court has the power to expunge a CRD record.<sup>4</sup>

11. In addition to FINRA Rule 2080, releases by FINRA (and its predecessor NASD) contemplate a court's independent power to grant expungements. In 1999, the NASD issued a moratorium on arbitrator ordered expungements, due to a concern that CRD records were actually state records. An arbitrator's order did not have the authority to alter a state record. In issuing the moratorium, the NASD explicitly reserved the power of a court to enter an Order for an expungement or an Order confirming an arbitration award requesting an expungement. (*See* FINRA Notice to Members, No. 99-09, pg. 47-48 (Feb. 1999).) This moratorium was continued in NASD Rule 2130 and subsequently in the identical FINRA Rule, 2080.

12. In a Regulatory Notice released in 2009, FINRA highlighted Rule 2080 and stated, "[t]he rule requires that a court of competent jurisdiction order or confirm all expungement directives before FINRA will expunge customer dispute information from the CRD system." (FINRA Regulatory Notice, No. 09-33, pg. 6 (June 2009).)

13. When a registered representative is not named as a party in an arbitration proceeding, but is considered the subject of an arbitration, as arguably was the case here, the FINRA process for obtaining an expungement is not settled. FINRA, in direct response to

---

<sup>3</sup> See FINRA Rule 8312. BrokerCheck is available via the FINRA website: <http://www.finra.org>.

<sup>4</sup> See *Reinking v. Financial Industry Regulatory Authority*, 1:11-cv-00813 (W. D. Tex. Nov. 30, 2011).

situations such as the present matter, has proposed a new rule clarifying how a registered representative who was unnamed in a customer arbitration, can request expungement of his or her record in that same arbitration proceeding.<sup>5</sup> As of now, however, the rules are still unsettled, so a registered representative must bring a petition in a court of competent jurisdiction for an original Order expunging the record.

### THE UNDERLYING CASE

14. Christopher Puglisi, a customer of CGMI where Petitioner was employed until June of 2008, filed a statement of claim against CGMI alleging misrepresentation by the firm regarding a series of private placement investment funds (hereinafter the *Puglisi* case). The chief complaints asserted by Claimant were (1) misrepresentation in disclosure statements of a fund purchased by Claimant and (2) the mismanagement of that fund. Claimant alleged damages of no less than \$1,000,000, his original contribution to the fund.

15. In the answer, CGMI denied the claims asserted and stated that the historic market collapse, and not any mismanagement or inaction by CGMI, ultimately caused Claimant's losses.

16. A FINRA Arbitration hearing (the "Hearing") was held from October 17-21, 2011.<sup>6</sup> Ultimately, a panel of three arbitrators ruled in favor of the Claimant and awarded him compensatory damages of \$749,229.19, as well as nominal interest. The award was not rendered against Petitioner nor was Petitioner asked to contribute to the award in any way.

---

<sup>5</sup> See FINRA Regulatory Notice, No. 12-18 (Apr. 2012) (The notice seeks comments on a rule proposal that would allow an unnamed registered representative to seek expungement in an arbitration proceeding. The representative could then petition a court for an Order confirming an arbitration decision, rather than petition the court for an original Order of expungement.)

17. Furthermore, in his statement of claim, Claimant brought no claims against Petitioner and did not name Petitioner as a party to the proceeding.

18. Throughout the course of the Hearing, Claimant consistently stated that Petitioner was not responsible for his losses. In answering questions regarding Claimant's interactions with Petitioner, Claimant adamantly agreed that Petitioner, "presented [Claimant] with ideas and then allowed [Claimant] to make up [his] own mind about which ones to purchase" and that Petitioner "never tried to hard sell [Claimant,]" including with the regard to the fund that was the subject of the arbitration. (*See* Hearing Transcript,<sup>7</sup> pp.1139-40.) Claimant absolutely did not believe that Petitioner was attempting to mislead or take advantage of Claimant in any way. Finally, Claimant did not believe that Petitioner had any information about the fund that he did not share with the Claimant. (*See* Hearing Transcript, pp. 1140, ln. 9-20.)

19. It is clear, based on the allegations and evidence adduced at the hearing, that the Claimant believed that Petitioner was simply passing on information about the fund that Petitioner had received.

20. This is confirmed by Claimant's counsel in his closing statement: "Mr. Puglisi doesn't blame Mr. Mahoney . . . because he knows all he did was pass along what he was told by Citigroup." (Hearing Transcript, p. 1483, ln. 5-8.)

21. Petitioner did not even charge Claimant a placement fee on this fund. (*See* Hearing Transcript, p. 1140, ln. 5-8.)

---

<sup>6</sup> Segments of the transcript of this hearing are annexed hereto as Exhibit "B".

<sup>7</sup> "Hearing Transcript" refers to the portions of the hearing transcript deemed relevant to this proceeding.

### **EXPUNGEMENT IS THE APPROPRIATE REMEDY**

22. FINRA has explicitly noted that the purpose of the CRD and corresponding BrokerCheck is investor protection. (*See* FINRA Regulatory Notice, No. 08-79, pg. 2 (Dec. 2008).)

23. When a FINRA member firm or registered representative seeks to have a CRD record expunged, FINRA reserves the right to oppose the petition in a court of competent jurisdiction.

### **FINRA STANDARD FOR WAIVER**

24. FINRA Rule 2080, outlines the standard by which FINRA determines whether to waive opposition to a petition seeking to confirm an arbitration award. FINRA will waive opposition in instances where there is an affirmative finding that “the registered person was not involved in the investment-related sales practice violation, forgery, theft, misappropriation or conversion of funds.” FINRA Rule 2080(b)(1)(B).

25. Additionally, FINRA may, in its discretion, waive opposition where the expungement relief is meritorious, and the expungement will have “no material adverse effect on investor protection, the integrity of the CRD system or regulatory requirements.” FINRA Rule 2080(b)(2)(B).

26. In the present matter, it is clear that the Petitioner was not involved in the “investment-related sales practice violation.” As stated above, the thrust of the *Puglisi* case was the mismanagement of a particular fund and misrepresentations made by CGMI in disclosure

documents. This in no way implicates Petitioner or accuses him of any wrong-doing. As a result there is no value in this information to an investor.

27. This petition for expungement is clearly meritorious and expungement of this record would have no adverse effect on investor protection. The goals of investor protection are not served by leaving a mark on Petitioner's record concerning a case where he was accused of no wrong-doing. In fact, even the Claimant lauded Petitioner's interactions with Claimant.

28. Petitioner has been a registered securities agent since 1992 and was the subject of only one other inquiry from a customer. (This involved a wife asking whether her husband had made withdrawals from their account. The fact that the account was a joint registration was explained to the wife and the matter was dropped). Petitioner has always acted in the best interests of his clients. Having this entry on his record only hinders his ability to practice his trade and continue to help his customers.

#### SEC GUIDANCE

29. FINRA Rule 2080 (and NASD Rule 2130) presumes a subset of cases where expungement may be merited, but FINRA will not waive their participation because a case did not meet the criteria of Rule 2080. As a result, in a recent case in the Western District of Texas, the Court ruled that FINRA Rule 2080 does not purport to set out specific guidelines for a court in determining whether an order should be expunged.<sup>8</sup> Instead, the Court in that case looked to the SEC for guidance.

30. In a Release analyzing the proposed NASD Rule 2130 (the precursor NASD equivalent to FINRA Rule 2080), the SEC stated, "[t]he Commission believes that the



proposal [of Rule 2130] strikes the appropriate balance between permitting members and associated persons to remove information from the CRD system that holds no regulatory value, while at the same time preserving information on the CRD system that is valuable to investors and regulators.” (SEC Release, No. 34-48933, 68 Fed. Reg. 74667, at 75670 (Dec. 24 2003).) This release indicates that the standard for an expungement is whether the record holds “no regulatory value.”

31. No regulatory value is served by maintaining information about a claim where no allegations of wrong-doing were asserted against a registered representative, there was no finding of fault entered against him, and he in no way contributed to the arbitration award against the firm. Here, even the Claimant explicitly stated that he did not believe that Petitioner was trying to mislead or take advantage of him in any way.

32. The allegations against the firm in the *Puglisi* case were simply product based. This did not involve any actions taken by Petitioner and in no way concern his ability to competently and adequately work in his clients’ best interests. Petitioner was not involved in or responsible for any of the allegedly misleading information contained in the disclosure documents for the fund. Additionally, Petitioner had no management responsibilities or control over the fund purchased by Claimant.

33. There can be no regulatory value in information that does not implicate the Petitioner in any wrongdoing. Instead, Petitioner recommended products that he thought best suited his client’s needs based on representations by his firm. There was never any decision establishing that Petitioner committed any conduct that would serve as the predicate for any liability. As such, there is no continuing need for public disclosure on Petitioner’s CRD record

---

<sup>8</sup> See *Reinking v. Financial Industry Regulatory Authority*, 2011 WL 1111111 (W. D. Tex. Nov. 30, 2011).

and BrokerCheck. Expungement will not vitiate the goal of public protection for investors. The equitable remedy of expungement is proper to protect Petitioner's good name and livelihood.

WHEREFORE, Petitioner prays that FINRA be cited to appear and answer herein with respect to expungement of the *Puglisi* case; that such case be ordered expunged by the Financial Industry Regulatory Authority ("FINRA") from Petitioner's records as a registered representative of the securities industry; that the Court enter a Final Judgment accordingly; and that the Petitioner have such other and further relief, both general and special, at law or in equity, to which he may show himself to be justly entitled.

**DAY PITNEY LLP**  
Attorneys for Petitioner,  
Scott F. Mahoney

By: /s/ John P. Scordo  
JOHN P. SCORDO

Dated: May 8, 2012

**CERTIFICATION PURSUANT TO L. CIV. R. 11.2**

I certify that, to the best of my knowledge, this matter is not the subject of any other action pending in any court or of any pending arbitration or administrative proceeding.

**DAY PITNEY LLP**  
Attorneys for Petitioner  
Scott F. Mahoney

By: 

JOHN P. SCORDO

Dated: May 8, 2012

# EXHIBIT A

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

SCOTT FRANK MAHONEY,

Petitioner,

v.

FINANCIAL INDUSTRY REGULATORY  
AUTHORITY,

Defendant.

HONORABLE

Civil Action No. 12-

**AFFIDAVIT OF  
CHRISTOPHER PUGLISI**

STATE OF )

) ss:

COUNTY OF )


**CHRISTOPHER PUGLISI**, of full age, being duly sworn according to law, upon his oath,  
deposes and says:

1. I am over the age of eighteen years and believe in the obligation of an oath.
2. I am the Claimant in an arbitration proceeding, FINRA case No. 10-00860, styled as *Puglisi v. Citigroup Global Markets Inc.* As such I have personal knowledge of the events of that case.

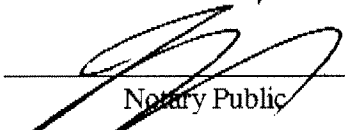
3. In such case, I did not allege any wrongful acts or omission on the part of Petitioner, Scott F. Mahoney.

4. I do not contest or oppose the effort of Petitioner Scott F. Mahoney to seek an Order granting expungement of the *Puglisi* case from Petitioner's records as a registered representative of the securities industry.

5. I waive issuance and service of process in any such legal proceeding.

  
CHRISTOPHER PUGLISI

Sworn and subscribed to before me  
this 7<sup>th</sup> day of May, 2012.

  
Notary Public  
JOSEPH T. AFFRATTO JR. ESQ.  
ATTORNEY AT LAW  
STATE OF NEW JERSEY

# EXHIBIT B

1 international managers' research reports.

2 Do you see that?

3 A That's correct.

4 Q Okay. And he says:

5 If yes, have you had time to review

6 do you see that?

7 A That's correct.

8 Q And then he says:

9 If no, would it be easier to have

10 Stephanie print them and bind them in a book

11 for your review?

12 Do you see that?

13 A Okay.

14 Q And then below that, it says:

15 If so, do you want me to go forward

16 with the any of the following.

17 And then there is a list of the

18 information below that; do you see that?

19 A That's correct.

20 Q Okay. It's true that Mr. Mahoney

21 presented you with ideas and then allowed you to

22 make up your mind about which ones to purchase or

23 not purchase, correct?

24 A Absolutely.

25 Q Okay. He never tried to hard sell you?



1 A No, absolutely not.

2 Q And that was true with respect to the MAT  
3 transaction as well?

4 A That's absolutely right.

5 Q He didn't charge you placement fee on MAT?

6 A That's what he said the other day. He  
7 originally told me that. I was happy to hear that.  
8 He told me it at the time.

9 Q You don't think that he was in any way  
10 trying to mislead you or take advantage of you?

11 A Absolutely not.

12 Q Can you turn to page 370.

13 A Okay.

14 Q And just before we ask this, just along  
15 those lines you don't believe that Mr. Mahoney had  
16 any information about the MAT investment that he  
17 didn't share with you; is that correct?

18 A The only thing, at that point?

19 Q Yeah.

20 A No.

21 Q Okay. Now on page 370, large cap value?

22 A There is nothing on 70 here.

23 Q Yes. It looks like an e-mail sending you  
24 stuff with large cap value; do you see that, if you  
25 turn to the next page?

R. Leonard, C.S.R., Inc.  
 Certified Shorthand Reporters  
 818.995.2449

SHEET 58 PAGE 1482

1 I said to Mr. Mahoney:  
 2 "Q And would you agree with me that  
 3 was your understanding of what fixed income  
 4 alternatives were designed to do?  
 5 And of course he says "Yes."  
 6 So let's go over to page 15 now.  
 7 Again, this is their document, not mine.  
 8 "Why Use Fixed Income Alternatives:  
 9 Higher returns than comparable Treasury or  
 10 municipal bonds."  
 11 Now, I don't need you to -- I don't need  
 12 to quote a definition, you know, what comparable  
 13 means. It means the same; they are comparing it to  
 14 Treasury or municipal bonds.  
 15 Now, the next page, which Mr. Hilgendorff  
 16 knew I was going to point out to you, is the white  
 17 paper, and we have been through this. I am not  
 18 going to read it to you again, but I want you to  
 19 look at what they are saying, what Mr. Islam is  
 20 saying to the world about this fixed income  
 21 investing game that they are involved in.  
 22 It's very clear, and what they are doing  
 23 is they are saying to the brokers, in effect, look,  
 24 this is the strategy, this is the strategy, this is  
 25 what all this means. The brokers aren't expert in

1482

PAGE 1484

1 here. But if you look in Volume one of claimants  
 2 notebook, you will see we blew it up at page 1-12A,  
 3 but look at the material part of that footnote:  
 4 "A number of investors are wary of  
 5 leverage, and associate it with increased  
 6 risk. While this may be true on average,  
 7 the two are not necessarily linked. In our  
 8 view, if used judiciously, leverage actually  
 9 can help investors more efficiently capture  
 10 return opportunities and does not  
 11 necessarily lead to increased risk."  
 12 There it is again. This is how you pitch  
 13 it, folks. We have got the secret sauce, we are the  
 14 smartest guys in the room, we are Citigroup, we  
 15 figured out how to do this, we can get you a little  
 16 bit higher return without increasing your risk.  
 17 They know who their target audience here is, and  
 18 they are speaking to it.  
 19 Let's go over to page 19.  
 20 This is out of their material. What are  
 21 they benchmarking MAT/ASTA to, the Lehman Brothers  
 22 Aggregate Bond Index. A benchmark has to be  
 23 associated with the product or it's meaningless.  
 24 They are benchmarking it to the Lehman Aggregate  
 25 Bond Index.

1484

PAGE 1483

1 any one specific area. They look to the firm for  
 2 information. And I submit to you that's precisely  
 3 what Mr. Mahoney did.  
 4 And Mr. Hilgendorff was correct,  
 5 Mr. Puglisi doesn't blame Mr. Mahoney, even though  
 6 he hasn't spoken to him in three 1/2 years, because  
 7 he knows all he did was pass along what he was told  
 8 by Citigroup.  
 9 So what this paper does -- and read the  
 10 highlights when you get a moment. You will see that  
 11 what we are talking about on page 17 is:  
 12 "To better meet their objectives,"  
 13 meaning fixed income investors, "without  
 14 materially increasing the risk relative to  
 15 the index."  
 16 And we learned on the prior page, the  
 17 index is the Lehman Brothers Aggregate Bond index.  
 18 It's on the page before. So they are not able to  
 19 say, well, we didn't mean that, we didn't mean the  
 20 Lehman Brothers index, we meant something else.  
 21 They meant it and they are saying "without  
 22 increasing the risk relative to the index."  
 23 But the next page is remarkable. There is  
 24 a footnote at the bottom of page 1-12, and what we  
 25 did for you is we blew it up, we have bubbled it

1483

PAGE 1485

1 Let's go to page 21. Now, this is the  
 2 presentation in February of '08. So this is right  
 3 before the whole house collapses, and  
 4 Mr. Famiglietti is making a presentation, that's  
 5 Mr. Nifoussi's boss, Frank Famiglietti.  
 6 And if you look at page 22, this is a  
 7 scatter chart, and you folks are familiar with  
 8 scatter charts. It determines, it pictures where on  
 9 the risk scale on the return scale investments are.  
 10 Look where fixed income arbitrage is, look at it,  
 11 it's just to the right and slightly above U.S.  
 12 bonds. Oh, yeah, that kind of sounds like  
 13 Treasuries, doesn't it.  
 14 Now, you know, Mr. Hilgendorff made a  
 15 point about how this was carried on the statement.  
 16 Was it carried as a muni bond? You are right, it  
 17 wasn't. It was carried as a fixed income  
 18 alternative. And I don't think I have to go back  
 19 and read you the definition of what that means.  
 20 And by the way, you know, there is kind of  
 21 an interesting juxtaposition of numbers here that  
 22 always happens in these cases. They say, well, he  
 23 was looking for six to eight percent tax-free;  
 24 that's a massive return. You saw the bonds, the  
 25 muni bonds in Puglisi's portfolio. They were

1485

JS 44 (Rev. 09/11)

## CIVIL COVER SHEET

The JS 44 civil coversheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

**I. (a) PLAINTIFFS**

Mahoney, Scott F.

**DEFENDANTS**

Financial Industry Regulatory Authority

(b) County of Residence of First Listed Plaintiff Morris  
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant \_\_\_\_\_  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

(c) Attorneys (Firm Name, Address, Telephone Number, and Email Address)  
Day Pitney LLP, 1 Jefferson Road, Parsippany, NJ 07054  
(973) 966-6300  
John P. Scordo

Attorneys (If Known)

**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- |   | PTF                        | DEF                        |   | PTF                        | DEF                        |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Med. Malpractice	<b>PERSONAL INJURY</b> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/ Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee (Prisoner Petition) <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input checked="" type="checkbox"/> 850 Securities/Commodities/ Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/ Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	<b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

**V. ORIGIN**

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from another district (specify)
- ☐ 6 Multidistrict Litigation

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
15 USC 78 et. seq.

Brief description of cause:

Petition for expungement of an entry on the Central Registration Depository ("CRD") record

**VII. REQUESTED IN COMPLAINT:**

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE

DOCKET NUMBER

DATE

05/08/2012

SIGNATURE OF ATTORNEY OF RECORD

/s/ John P. Scordo

FOR OFFICE USE ONLY

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_

**INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44****Authority For Civil Cover Sheet**

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

**I. (a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

**II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

**III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

**IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

**V. Origin.** Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

**VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553  
Brief Description: Unauthorized reception of cable service

**VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

**VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

**Date and Attorney Signature.** Date and sign the civil cover sheet.